Community Benefit in Procurement Network

2nd December 2015
Agenda

- Introduction
- PR(S)A update
- Sustainable Procurement
- Third Sector Reporting
- Service Contracts
- Round Table
- Final Q&A
Ready for Business
Embedding Social Value in Procurement

Jo Mitchell
Scottish Government
Legislation Update

Jo Mitchell
Scottish Procurement
2nd December 2015
Procurement Reform

Agenda

• New procurement rules in Scotland
• Public consultation and optional elements
• Statutory Guidance
• Support
Background

3 new Directives
- Public (Classic) Sector,
- Utilities Sector
- Concession Contracts

Published in OJEU on 28 March 2014
– 3 sets of Regulations

UK, Cabinet Office February 2015

Scottish Government – Drafting Regulations and statutory guidance
Key Policy Options

• Selection and exclusion of bidders, particularly in relation to blacklisting.

• Mutuals – new directives provide for certain types of contracts to be reserved for social enterprises and exempted from competition amongst the wider market place for a limited period.

• Supported Business – New rules allow for contracts to be reserved to businesses whose main aim is to socially and professionally integrate disabled or disadvantaged people. Further change is to the threshold of workers who meet that descriptions from 50% to be more than 30% of workers.

• Contract Award Criteria - The new Directives provide an option for member States to insist that contracts can only be awarded on the basis of an assessment of both the price and the quality of a bid.
Statutory Guidance

The Procurement Reform (Scotland) Act 2014 provides for 5 areas of Statutory Guidance:

• Organisational Procurement Strategies and Annual Reports
• Sustainable Procurement Duty
• Community Benefits in Procurement
• Selection of Tenderers and Award of Contracts (including fair work practices)
• Procurement of Care and Support Services

And Procurement Scotland Regulations (Set 4)
Statutory Guidance - Development

- Principles - February consultation
- Engagement - public sector, suppliers, NGOs
- Fair Work – live (1st November 2015)
- Other 4 – building in feedback
- Commencement
# Procurement Reform (Scotland) Act

## Expected Thresholds

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| Regulated Procurements (£50,000 (goods and services), £2,000,000 (works)) | General Duties –  
(1) equal treatment, non-discrimination, transparency, proportionality  
(2) sustainable procurement duty  
Specific Provisions -  
Reserve contracts for supported businesses  
Publish Contract Notice (excluding call-offs under framework)  
Publish Contract Award notice  
Exclusion of Bidders  
Selection of Tenderers (including fair work practices)  
Technical Specifications  
Debriefing  
Contracts Register  
No Charging for Tender Documents |
| £4,000,000                                   | Community Benefits (subject to review)                                                                                                 |
| £5,000,000                                   | Organisational Procurement Strategy and Annual Report                                                                                   |
Support

• E-Learning – end December
• Face to face provision – mid January
• Procurement Journey
• Systems / tools
Thank You
Procurement Reform (Scotland) Act

Consider:

- Improving Economic, social, environmental, wellbeing and reducing inequality in the area.
- Involving Small and medium enterprises and 3rd sector bodies including supported businesses.
- Promoting Innovation
Procurement Reform (Scotland) Act 2014 – Statutory Guidance:

- Organisational Procurement Strategy & Annual Report
- Sustainable Procurement Duty
- Community Benefits in Procurement
- Selection of Tenderers and Award of Contracts (including Workforce matters)
- Procurement for Health or Social Care Contracts
Guidance and tools to support

• Tools:
  ✓ Prioritisation Methodology
  ✓ Contracts Tool / Sustainability Test
  ✓ Life Cycle Impact Mapping
  ✓ Guidance and case studies
  ✓ Flexible Framework

• Beta Testing of Sustainable Procurement Tools – supporting organisations in meeting the requirements of the Act.

• Testing to ensure that tools are ‘fit for purpose’
# National context

Link to Single Outcome Agreements / Local Delivery Plans / Strategic Objectives of the organisation

Links to reporting requirements of all public sector bodies in Scotland

Reflect the reporting requirements of the Procurement Reform (Scotland) Act

[http://www.scotland.gov.uk/About/Performance/scotPerformes](http://www.scotland.gov.uk/About/Performance/scotPerformes)
Tools to support Sustainable Procurement

- Risk and opportunity assessment
  - Environmental, social & economic risk assessment
  - Prioritisation Methodology
  - Sustainability Test
  - Life Cycle Impact Mapping
  - Guidance and case studies
  - Flexible Framework

- From risk assessment to procurement actions
The Flexible Framework: a route map to good procurement practice

Organisational Progression
Flexible Framework is a way of demonstrating progress

Maturity matrix

- People
- Objectives, strategy and communications
- Procurement process
- Engaging suppliers
- Monitoring and reporting

Strategic planning – key stakeholders involved
Flexible Framework with Action Plan

Procurement Capability Assessment / PCIP

Flexible Framework

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Procurement Reform Act

Organisational Procurement Strategy to take account of economic, social and environmental wellbeing

Organisation’s Action Plan
- Action
- Responsibility
- Target Date

Law & Regulations
Policy & SPPNs
Guidance
Tools
Robin Fallas

CBCs in Service Contracts
Building a Community of Practice / Knowledge Share – Aims through Champions Network:

Securing community benefits through service contract procurements:

- Share knowledge of what has worked well through interactive sessions
- Build practical application in service contracts
- Focus on focused / targeted scored community benefit clauses / criteria (horizon of “hard-wiring” via Procurement Strategies, Prioritisation etc)
- Contribute to maximising “reach” of 2014 Act
Social considerations may be advanced through:

- Use of frameworks
- Use of the Supported Business reservation
- Use of Lots
- Focus on the specification
- Recognising that in certain circumstances, commissioning may not be subject to procurement law or may be under the “Part B / light touch” regime
Building a Community of Practice / Knowledge Share - Service Contract Areas:

- IT / ICT
- Catering
- Waste Management
- Events Management
- Social Care
- Facilities Management
- Repair and Maintenance (though generally works)
- Joinery
- Professional services - Engineering / architecture
- Professional services - Legal / Financial advisory
- Other!
Building a Community of Practice / Knowledge Share – Benefit Type:

- **Education**
  - measures with schools
  - measures with further/higher education
  - measures with community

- **Supply chain opportunities / upskilling**
  - advertisement
  - capacity building measures

- **Community engagement**
  - To add value to end-users of service
  - to inform service evolution over time

- **Employment**
  - Long-term unemployed
  - youth unemployed
  - specific disadvantaged groups

- **Employment / Training**
  - apprenticeship / modern apprenticeship

- **Training / upskilling**
  - various that are position dependent

- **Work experience**
  - work placements

- **Other / Innovations!**
Questions